

# LOUISIANA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

## Overview

The State of Louisiana offers several incentives for alternative fuel vehicles (AFVs), including an income tax credit for 20% of the incremental or conversion costs for AFVs or refueling stations. For public fleets and school districts, the Energy Division of the Department of Natural Resources offers zero interest loans to cover costs for vehicle conversions.

## Highlights

- \$ State income tax credit for 20% of the costs of converting a vehicle to alternative fuels, or up to \$1,500 for 20% of the incremental cost of purchasing a factory-equipped AFV

## State Incentives

- \$ Act 1060 (1991) offers a state income tax credit for 20% of the incremental cost of purchasing a factory-equipped AFV, 20% of the cost for converting a vehicle to alternative fuels, and alternative fuel refueling stations. For the purchase of an original equipment manufacturer (OEM) AFV, the tax credit cannot exceed the lesser of 2% of the cost of the vehicle or \$1,500. Act 169 (1992) stipulates that only those vehicles registered in Louisiana can receive the tax credit.

The Department of Natural Resources Energy Division administers the Louisiana Alternative Fuels Conversion Loan Program, which is a zero-interest, revolving loan program available to state and local government and school district fleets, to finance vehicle conversions to compressed natural gas (CNG), liquefied natural gas (LNG), or liquefied petroleum gas (LPG). The source of the funds is the Petroleum Violation Escrow (PVE) Fund. For additional information on either the tax credit or the loan program, contact Mike French, Louisiana Department of Natural Resources, at (504) 342-2133, or Al Troy at (504) 342-2122.

## Utility/Private Incentives

**Arkansas Louisiana Gas (Arkla)** has a special lower rate for CNG used to fuel vehicles. Arkla offers technical assistance and station design assistance for natural gas refueling stations. For more information, contact Bill Link at (318) 429-4180 or Arthur Connerly at (501) 377-4877.

**Trans Louisiana Gas** operates a public refueling station in Lafayette. Trans Louisiana Gas may offer incentives for the conversion of natural gas vehicles (NGVs) on a case-by-case basis. Contact Frank Marino at (318) 268-4407 for additional information.

## Laws & Regulations

Act 927 (1990) requires that as many as 80% of all state vehicles be converted to operate on alternative fuels by 1998. This provision was extended to all political subdivisions of the state by Act 954 (1990). The phase-in requirements for government vehicles capable of using alternative fuels are as follows:

September 1, 1994:	30%
September 1, 1996:	50%
September 1, 1998:	as high as 80%

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## *Laws & Regulations (cont.)*

Acts 927 and 954 also prohibit subsidies and incentives for the production of CNG, LPG, reformulated gasoline (RFG), and methanol or ethanol.

Executive Order EWE93-9 requires the Department of Natural Resources to convert a minimum of 500 vehicles and up to 1,500 (25% of the state fleet) to CNG, LNG, or LPG. In addition, a total of 8 CNG/LNG refueling stations accessible to both the general public and state government vehicles, are scheduled to be built.

Act 531 (1990) directed the Public Service Commission to deregulate the sale of CNG by producers, pipelines, distribution companies, or other persons when it is used as a transportation fuel.

Act 516 (1991) provided for an alternate method of paying tax on LPG and CNG when used as a motor fuel.

Act 666 (1993) reduced the special fuels tax provided by Act 516 (1991) to a flat rate of \$150/year or a variable rate of 16¢/gasoline gallon equivalent (gge). Act 7 (1994) lowers the special fuels tax rate for school buses that transport Louisiana students to one-half the rate specified in Act 666.

## *Points of Contact*

### **Louisiana State Energy Office**

Louisiana Department of Natural Resources  
Mike French (504) 342-2133  
Al Troy (504) 342-2122

### **Arkansas Louisiana Gas (Arkla)**

Bill Link (318) 429-4180  
Arthur Connerly (501) 377-4877

### **Trans Louisiana Gas**

Frank Marino (318) 268-4407

### **Metropolitan Planning Organizations**

#### **Imperial Calcasieu Regional Planning and Development Commission**

Mark Browning (318) 433-1771

#### **Capital Region Planning Commission**

Donald Neisler (504) 383-5203

### **Louisiana State Transportation Contact**

Department of Transportation and Development  
Coan Bueche (504) 358-9131

### **U.S. Department of Energy Regional Support Offices**

Dallas Regional Support Office  
William Jernigan (214) 767-7182

Atlanta Regional Support Office  
Angela Young (404) 347-7143

### **U.S. Department of Transportation Contacts**

#### **Federal Highway Administration**

Region 6  
George Hadley (817) 334-3235

#### **Federal Transit Administration**

Region 6  
Blas Uribe (817) 860-9663

#### **General Services Administration**

##### **Regional Fleet Manager**

Region 7  
Virlene Griffin (817) 334-2381